

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

[LB190 LB190A LB226 LB200 LB297 LB352 LB373 LB650 LB650A LB686 LB690
LB691 LB698 LB716 LB721 LB722 LB731 LB735 LB736 LB738 LB743 LB746 LB751
LB798 LB814 LB848 LB867 LB873 LB951 LB987 LB1078 LB1103 LR1CA LR5CA
LR277CA LR315 LR316]

PRESIDENT SHEEHY PRESIDING

PRESIDENT SHEEHY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the twenty-second day of the One Hundred First Legislature, Second Session. Our chaplain for today is Senator Carlson. Would you all please rise.

SENATOR CARLSON: (Prayer offered.)

PRESIDENT SHEEHY: Thank you, Senator Carlson. I call to order the twenty-second day of One Hundred First Legislature, Second Session. Senators, please record your presence. Please record, Mr. Clerk.

CLERK: I have a quorum present, Mr. President.

PRESIDENT SHEEHY: Are there corrections for the Journal?

CLERK: I have no corrections, Mr. President.

PRESIDENT SHEEHY: Message, reports, or announcements?

CLERK: Your Committee on Enrollment and Review reports LB867, LB848, and LB746 to Select File, some of which have Enrollment and Review amendments attached. Senator Janssen selected LB200 as his priority bill for this session. New resolution: Senator Lautenbaugh offers LR315, that will be laid over. Attorney General Opinion addressed to Secretary of State John Gale and a communication from Secretary Gale regarding that Opinion (re LR1CA and LR5CA). I have hearing notices from the Transportation and Telecommunications Committee, three separate notices, those signed by Senator Fischer. And Mr. President, a unanimous consent request: Senator Lathrop as Chair of Business and Labor would ask unanimous consent that the Business and Labor Committee conduct its hearing today, February 8, in Room 1524, as opposed to Room 2102. (Legislative Journal pages 479-488.) [LB867 LB848 LB746 LB200 LR315 LR1CA LR5CA]

PRESIDENT SHEEHY: No objections? So ordered.

CLERK: That's all that I have, Mr. President.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

PRESIDENT SHEEHY: Thank you, Mr. Clerk. (Doctor of the day introduced.) Mr. Clerk, we'll move to the first item under Select File, appropriations bill, LB190A. [LB190A]

CLERK: LB190A, Mr. President, on Select File. No E&Rs. Senator Avery would move to amend. Senator, I have two amendments. The first AM1674, I have a note you'd like to withdraw that amendment. [LB190A]

SENATOR AVERY: That is correct. [LB190A]

PRESIDENT SHEEHY: AM1674 is withdrawn. [LB190A]

CLERK: Senator Avery would move to amend with AM1769. (Legislative Journal page 475.) [LB190A]

PRESIDENT SHEEHY: Senator Avery, you're recognized to open on AM1769 to LB190A. [LB190A]

SENATOR AVERY: Thank you, Mr. President. This amendment would square the A bill up with the main bill, LB190. It deals with the payment and how the appropriation will be conducted. We are going to require the inmates to pay for this. I have some information that would help answer some questions that were raised on General File. I met with the director of the Department of Corrections, Mr. Houston, this morning and he informed me that every convict, every person who is admitted to the Corrections Center is assigned a job. It's not optional. The only time that you wouldn't be working is if you are in segregation and usually segregation does not last very long, a few days at a time for misconduct. Occasionally, an inmate may be in segregation for protective custody but that is something that usually does not last for very long. Inmates work in the prison. They work for Cornhusker Industries making desks and chairs. They can earn 34 cents an hour to \$1.08 an hour. The minimum that they make per month is about \$26. The maximum is about \$83. So there is income there and that certainly makes it possible for inmates to afford the somewhat less than \$30 that they would have to pay for this testing procedure. An interesting statistic that we received from Director Houston is that the average expenditure per inmate at the canteen is over \$62 per month. So it seems to me that we're not asking a great deal of the inmates. They are required already to pay for their own shoes, shirts, linens, and toothbrush. Inmates already pay taxes. They pay into a victim's fund. So it seems to me that this is not unreasonable. Thank you, Mr. President. [LB190A LB190]

PRESIDENT SHEEHY: Thank you, Senator Avery. You have heard the opening of AM1769 to LB190A. Senator Avery, you're in the queue to speak. Senator Avery waives. Are there additional requests to speak? Seeing none, Senator Avery you're recognized to close. Senator Avery waives closing. The question before the body is on the adoption of AM1769 to LB190A. All those in favor vote yea; opposed, nay. Please

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

record, Mr. Clerk. [LB190A]

CLERK: 38 ayes, 0 nays on adoption of Senator Avery's amendment. [LB190A]

PRESIDENT SHEEHY: AM1769 is adopted. [LB190A]

CLERK: I have nothing further on the bill, Mr. President. [LB190A]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB190A]

SENATOR NORDQUIST: Mr. President, I move LB190A to E&R for engrossing. [LB190A]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say...Senator Nordquist? All those in favor say aye. Opposed, nay. LB190A advances. We will now proceed under Select File to LB297. [LB190A LB297]

CLERK: LB297, Mr. President. Enrollment and Review amendments, first of all. (ER8144, Legislative Journal page 262.) [LB297]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB297]

SENATOR NORDQUIST: Mr. President, I move the E&R amendments to LB297. [LB297]

PRESIDENT SHEEHY: You have heard the motion on the adoption of the amendments. All those in favor say aye. Opposed, nay. They are adopted. [LB297]

CLERK: Senator Dubas would move to amend, AM1782. (Legislative Journal page 476.) [LB297]

PRESIDENT SHEEHY: Senator Dubas, you're recognized to open on AM1782 to LB297. [LB297]

SENATOR DUBAS: Thank you, Mr. Lieutenant Governor. Good morning, colleagues. The amendment that you see before you takes into consideration all of the issues that we discussed on General File. Again, I want to thank you for granting me this extra time to come back and try to address some of your concerns, get your questions answered as far as the true fiscal impact, and get the revised fiscal note. Continue to work very hard with all of the people who are involved in the creation of this program: Farm Bureau, the community bankers, the Nebraska Bankers Association, the Treasurer's Office. I worked very closely with the Fiscal Office. I would like to thank them especially. We had multiple meetings and many phone calls answering my questions and helping

Floor Debate
February 08, 2010

me, you know, get things into proper shape. Also worked with Senator Heidemann trying to address some of his concerns. So I did not waste any of the time between General and Select File. We've worked very hard to bring this amendment that you see before you. Again, just to kind of refresh your memory, the money for this beginning farmer, rancher, and small business loan program would come from the operating investment pool. It's a pool of money that the Investment Council has the authority to invest. They already have access to this money. These are dollars that already exist. They would just take some of those dollars and make them available for this low-interest loan program. The linked deposit loan program would operate in a similar fashion to what we already have through our time deposit open accounts. It will show us a line item in the investment holdings of the operating investment pool. I continue to feel very strongly that this program has the potential to help spur our economy by investing in small businesses and our beginning farmers and ranchers. These are dollars, again, that the State Treasurer, the Investment Council, already has available to invest. So why not take a very small portion of these total investment dollars and invest them in our own citizens to help them with the development of their businesses? The amendment also drops the total amount of the program from \$10 million to \$4 million. It shortens the program length from 2020 to 2014, and the operative date would be July 1, 2011. I understand our current economic circumstances. I understand that we have to watch every single, solitary penny, but I hope that by dropping the amount of this loan program down and extending the dates that it still will give us the opportunity to see how well this program will work. The bankers assure me that this would be a great asset in their tool box to helping these beginning farmers and ranchers and small businesses get their loans, their relatively short-term loans. So, hopefully, in that amount of time we would be able to really see the effectiveness of this program. They have to submit a report annually to the Legislature and to the Governor. And again, I really do want to thank the members of the body for the very thoughtful debate that we had on General File. It was quite obvious to me that, in concept at least, you agree with and support these kinds of programs. We're all just struggling very much with where we're at in the economy and not knowing for sure the direction that we're going. We just have to scrutinize every single thing that comes before us. So again, I am very appreciative of the time that you gave me and the ability to continue to work on it. And I just feel very strongly that there is a need for this program. It will be used. I think it's worth our time and our financial investment in these particular groups of people to help, actually to help incent our economy. In rural Nebraska especially, you know, we aren't going to get the businesses that bring a couple hundred employees into our area, but if we can fill one or two of the storefronts on our main street, that's a huge economic shot in the arm to our communities. They aren't going to employ a lot of people but those people do generate economic activity in the area. We're struggling with keeping our young people on the farm. I believe the average age of farmers and ranchers right now is well into the fifties. Getting our young sons and daughters to stay on the farm or come back to the farm...it's not that the desire isn't there, because it definitely is there, but the access to capital and trying to get their feet on the ground with either starting out with a small herd of cattle or

Floor Debate
February 08, 2010

hogs or, you know, the ability to buy a small piece of land to get them going, these types of programs will help keep our young people on the farm and actively engaged. So I again do appreciate the body's consideration and would be happy to engage in any further dialogue with you this morning. Thank you. [LB297]

PRESIDENT SHEEHY: Thank you, Senator Dubas. You have heard the opening of AM1782 to LB297. Members requesting to speak: Senator Heidemann, followed by Senator Fischer, Senator Utter, and Senator Stuthman. Senator Heidemann, you're recognized. [LB297]

SENATOR HEIDEMANN: Thank you, Lieutenant Governor and fellow members of the body. I thought it was my responsibility to stand up and say a few words. And this is one of the more difficult ones for me, I would like to say, because I would like to be able to support LB297. I think it is an idea that's worth at least looking at. But I have to follow that up by saying there are concerns. And whether I, in the end, will be able to support LB297 is yet to be determined by me because I haven't got to that point yet. But I think it's important for everybody to understand, and she did a fairly good job of explaining things and I appreciate that, about what path we're starting to go down. And that path and as far as I know at least, we've never gone down this path and that's taking money out of the investment pool. And eventually I think I'll try to have a little conversation with Senator Dubas, but this investment pool there's about \$1.8 million in this investment pool...\$1.8 billion, excuse me. I'm a couple decimal points off. So in reality, the \$4 million is a small little piece of that. But what concerns me and hopefully will concern some members of this body, and might determine about how all this turns out, is you're starting down a path to take money out of the investment pool. And for every dollar that you take out of that investment pool means a dollar less that's accessible to the state. And eventually during times that are tough or challenging, which we see ourselves in a little bit right now, you have less money that you can access. And the \$4 million isn't the concern as much as of you're opening up the door for other people to say, hey, this worked for this program; let's do it for this program, this program, this program, this program, and this program. And there you see your problem beginning. Because pretty soon there won't be as much money in the investment pool as we, as a state, actually need. So if you could guarantee me that this would be the only \$4 million that this would ever go for, I could be on board. But unfortunately, with 25 votes you can change almost anything in this state, and that's what concerns me. Would Senator Dubas yield to a question or just some discussion? [LB297]

PRESIDENT SHEEHY: Senator Dubas, would you yield to Senator Heidemann?
[LB297]

SENATOR DUBAS: Certainly. [LB297]

SENATOR HEIDEMANN: Do you understand where my concern is about as far as the

Floor Debate
February 08, 2010

path? The amount of money that is lost to the General Fund is a concern. I mean, it wouldn't be in normal years but we're not in a normal year right now. You might want to talk about that just a little bit, but also the path that we're starting to go down about taking money out of the investment pool, that leaving less for us to access. [LB297]

SENATOR DUBAS: Certainly, Senator Heidemann. And I guess my understanding in working with the risk management officer and with Fiscal, I guess it's a matter of semantics and are we actually taking this money out of the investment pool or are we not? I mean, these are dollars that the Investment Council uses to invest. So whether they invest them in some type of a CD or like the time deposit, they're taking this money and they're putting it somewhere. So this would just be another place for them to put the money to generate interest income. Granted, they're going to loan this money out at a lesser interest rate and we'll get a lesser interest rate back, but these are dollars that they already have available that they're making available... [LB297]

PRESIDENT SHEEHY: One minute. [LB297]

SENATOR DUBAS: ...that they're putting into investment. And the money would not be put into this program until the actual loans were made. So that money would...all that money would remain in there until actual loans were approved. [LB297]

SENATOR HEIDEMANN: I will say I probably need to back up a little bit because we're really not taking the money out of the investment pool; we're using it as an investment. What concerns me, though, is usually anything that we invest in the investment pool, we have access to it. We at times might have to pay a penalty on that to get that investment back, to get that accessible, but we can access that. And when we're making a commitment for anywhere from three to five years--you can correct me if I'm wrong on that amount of time--we might not be taking it out of the investment pool because it is an investment for the state of Nebraska, but we do not have access to it. Would you agree with that? [LB297]

SENATOR DUBAS: We would not have access to the money that is already loaned out. We would have access to the money that still remains in the investment pool. [LB297]

SENATOR HEIDEMANN: I think my time is about ready to run out. [LB297]

PRESIDENT SHEEHY: Time, Senator. [LB297]

SENATOR HEIDEMANN: Thank you. [LB297]

PRESIDENT SHEEHY: Time, Senator. Thank you, Senator Heidemann. Senator Fischer, you're recognized. [LB297]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

SENATOR FISCHER: Thank you, Mr. President and members. I'd like to thank Senator Dubas for bringing this legislation and bringing attention to a situation in rural Nebraska that I believe many of us within this body are trying to address in different ways, whether it's through this program or through beginning farmer programs. A number of us, and I think the majority of us, want to see a strong rural Nebraska. We want to see growth in rural Nebraska. However, I too have some concerns with how the Senator is trying to fund the program. I certainly can't explain as Senator Heidemann did how the investment pool works. But I think that is a concern that we all need to look at when Senator Heidemann does point out that this would be a shift in policy on how we have done things in the past. We need to be cognizant of that. But I did look at the fiscal note and I have some concerns there. On the fiscal note when it states that the loan cap will see increases in future years and this results in greater General Fund revenue loss, I'm not ready to go down that path where we're going to see increased General Fund revenue loss in future years. If we pass something now where a fiscal note looks good, I don't think that's good policy. I don't think we should--and I'll probably be guilty of this and you can point it out to me on some of my bills--but I don't think it looks good or is sound policy that we try to fix numbers in a fiscal note so we can move something this year and we're just postponing the pain. If there are concerns, and obviously there are on this, that we're going to see some General Fund revenue loss that's going to be greater in future years, we need to be aware of that. And so while I certainly applaud Senator Dubas in trying to find a program that's going to work for our young people in rural Nebraska and help them out, which in turn will help this state, because we all know of the huge impact that agriculture has on this state, I would prefer that the Senator would wait on this bill, introduce something in the future, and have a fiscal note take effect at that time instead of postponing it to out-years when other decisions in this body will need to be made on what the priorities are. So with all due respect to Senator Dubas and the huge amount of time she has put in on this in working with many groups, Farm Bureau, the bankers, the State Treasurer, and many people in this room, I will have to oppose the bill. Thank you, Mr. President. [LB297]

PRESIDENT SHEEHY: Thank you, Senator Fischer. Senator Utter, you're recognized. [LB297]

SENATOR UTTER: Thank you, Mr. President, and good morning, colleagues. I too rise to thank Senator Fischer (sic) for her compassion and for her willingness to try to help the young farmers and ranchers of this state. And indeed it's a worthy area, there's no question about this. However, I must confess that I think that this bill is mistimed, if anything, that in another time may be perfectly well-suited. Needless, to tell you, my friends, that the banking community is full of liquidity today. And this program does provide additional liquidity that, quite frankly, I don't feel like we need in the banking community to make loans to young farmers and ranchers. And let me assure you that one of the priorities of anyone who is a country banker, like I have been for a long, long time, is to make loans to young farmers and ranchers who are going to be your future

Floor Debate
February 08, 2010

customers. They're the lifeblood of our rural communities, there's no question about that. And I think most bankers in the state, most rural bankers in the state, go out of their way to do things to make loans to young farmers and ranchers. In addition, I would have to point out that we do have a fair amount of other programs that are designed specifically to help young farmers and ranchers. Just a couple I bring to your attention, and one is the NIFA program that our bank participates in on a regular basis to help young farmers and ranchers in our neck of the woods. And secondly, the FSA, or the old MF...Farmers Home Administration loans that provides even lower interest loans to young farmers and ranchers to help them get started. And so I share the same concerns that Senator Heidemann brought up. I share the same concerns that Senator Fischer brought up. And it just seems to me like this is not the time; that another time may be better. And so with all due respect to Senator Dubas and the long hard hours that she has put on this program, I will have to vote against the bill...the amendment. Thank you. [LB297]

PRESIDENT SHEEHY: Thank you, Senator Utter. Members requesting to speak on AM1782 to LB297: Senator Stuthman, followed by Senator Hansen, and Senator Conrad. Senator Stuthman, you're recognized. [LB297]

SENATOR STUTHMAN: Thank you, Lieutenant Governor and members of the body. First of all, I truly do support anything to try to keep younger people in the farming business. I really support that because down the road we're going to need those people to take care of the number one industry in Nebraska. But I really think, you know, at the present time, we have, you know, the existing programs. We've got the beginning farmer program which is utilized but I think it could be utilized a lot more. We have, you know, the Nebraska Advantage for small businesses and that can be utilized there. And I totally agree with Senator Utter. He just mentioned a lot of the things that I was going to talk about, you know, the FSA program that they have. We've got this 100 Cow Program, breeding livestock, for individuals to get in the business, and there's a lot of these programs. Depending upon, you know, your ability to repay, it gets to be an interest buy-down so you can borrow the money, and depending upon the profitability of it, you know, the interest rate is set accordingly. And there are programs, you know, that it is almost at very little interest paid. So I really think in my opinion, you know, we have the existing programs. I think we should utilize those a little bit more, advertise those more, and make sure that, you know, these programs are used. If we find at a time where those programs are totally filled up, where there is no money left in those programs and nobody is eligible anymore, then I think we should seek out something else. But in my opinion we currently have programs that can be utilized. I know of individuals that have utilized a lot of the programs. It works out very well for those people. And I think those students that attend these community colleges and have a real interest in livestock production, there are programs out there for those individuals. So I just...I think I want to send the message is I am all for the beginning farmers but I think we have to utilize the programs that we have at the present time. So thank you,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

Mr. President. [LB297]

PRESIDENT SHEEHY: Thank you, Senator Stuthman. Senator Hansen, you're recognized. [LB297]

SENATOR HANSEN: Thank you, Mr. President and members of the Legislature. I rise in support of Senator Dubas' main idea that we need to get some money to beginning farmers. I'm not aware, as Senator Stuthman said, of all the other programs that are out there but I would like to ask Senator Dubas a couple of questions if I could. [LB297]

PRESIDENT SHEEHY: Senator Dubas, would you yield to Senator Hansen? [LB297]

SENATOR DUBAS: Certainly. [LB297]

SENATOR HANSEN: Senator Dubas, I know you were involved last year in the special session where we went in and lapsed funds from some strictly cash agencies, and you didn't agree with that. I didn't agree with that. We got some of those cash agencies taken off of the money that was used to actually balance our budget, balance our budget for the state. Appropriations Committee did that once. We found out, I think since, that was probably not a wise thing to do for strictly a cash agency. Did any of that go through your...through the process of coming up with LB297? [LB297]

SENATOR DUBAS: In the course, since working between General and Select File, that was one of the things I talked with the investment officer about and the Treasurer's Office. I said, are we taking money that we wouldn't normally be taking? And their response to me was no. These are dollars that they have access to that on a regular basis they look to invest in CDs or other types of things. So this is not...it's not an apples-to-apples comparison there. [LB297]

SENATOR HANSEN: Okay. Thank you for that. My second question would be in Section 5 of the bill it says that a beginning farmer can borrow up to \$250,000 with a total of \$20 million as per the Act. Can you...if we're going to take \$20 million out of the Investment Council to...for this program, and as Senator Heidemann says, is this a precedent we're going down, that's one question. But my question would be, would you go over those figures again on how the interest is going to come back to the state? You said there is a formula in there. Would you go over that? [LB297]

SENATOR DUBAS: Certainly. This money would not leave the investment pool until the loan was actually approved. So we're not taking that whole \$20 million or \$10 million or \$4 million, whatever numbers we're talking about here, and segregating them out. As the loans are approved, if it's a \$250,000 loan, then that money comes out of the investment pool and goes into that linked deposit program. It's loaned to the banks at 2 percent less than the...I'm not...looking for the right term here. It's 2 percent less than

Floor Debate
February 08, 2010

like the prime--I hope I'm using the right term there. That, in turn, allows the bank to loan it out at a lesser interest rate, so it's 2 percent less than what their normal investments would be generating. [LB297]

SENATOR HANSEN: Do you have any idea what the Investment Council would...their money would return as compared to a bank loan? [LB297]

SENATOR DUBAS: Could you repeat that, please? [LB297]

SENATOR HANSEN: Do you have any idea what the Investment Council expects for a return for their money as compared to the bank loan? And that's what you're basing it on, 2 percent below what the bank would loan the money for. [LB297]

SENATOR DUBAS: All right. This money is at 2 percent less than the 26 average of the T bills. So if that makes any sense to you, that's where it's at. The number that we see on the fiscal note, that would be the loss in that difference, that 2 percent difference if that full \$10 million or \$20 million is loaned out. [LB297]

SENATOR HANSEN: Thank you, Senator Dubas. I think we're all looking for places to find money, to transfer money, to replenish money in funds that we just might not ought to be borrowing from. But I do appreciate you spending the time and taking that approach because I think that approach is novel. And unfortunately, probably that may be a little bit too novel... [LB297]

PRESIDENT SHEEHY: One minute. [LB297]

SENATOR HANSEN: ...for the Appropriations Committee to go along with. But I do appreciate you bringing the bill. Thank you, Senator Dubas. Thank you, Mr. President. [LB297]

PRESIDENT SHEEHY: Thank you, Senator Hansen. Senator Conrad, you're recognized. [LB297]

SENATOR CONRAD: Thank you, Mr. President. Good morning, colleagues. I rise in support of the legislation, LB297, and the corresponding amendment brought forward by Senator Dubas. I know Senator Dubas has worked very diligently to not recreate the wheel here, colleagues, but rather to fill a critical void that exists in terms of our existing programs and policies that support beginning farmers and ranchers. With that, I rise specifically, I hit my button to address some concerns brought forward by Senator Heidemann and Senator Fischer which I think aren't entirely accurate in terms of the utilization of the funds that are at issue in this legislation. To be clear, colleagues, the funds managed and invested and under the operation of the Nebraska Investment Council are not generally available to the state or the Appropriations Committee or

Floor Debate
February 08, 2010

otherwise to fill General Fund obligations. These are funds that have specific statutory and regulatory constrictions on them in terms of how they are utilized by the different state agencies and governmental institutions that utilize these services of the Investment Council. So I think while it's always a good idea, particularly in these difficult, difficult economic times that we turn a very fine eye to the use of every penny of state dollars, I want to be clear that these dollars which will be utilized from the Investment Council and loaned out to help those who are struggling to get the capital they need to become a vibrant and successful beginning farmer and rancher, are not General Funds that are available to us to help meet our budgetary needs. If we meet a budgetary crisis, we can't go as an Appropriations Committee and grab these funds and stick them in to fill holes. That's not available to us. These are investments that, I think to be clear, have specific and measured uses and are not generally available. And I think that maybe Senator Heidemann and Senator Fischer didn't give a complete picture in that regard. So with that, I'd yield the balance of my time to Senator Dubas. [LB297]

PRESIDENT SHEEHY: Senator Dubas, you're yielded 2 minutes 40 seconds. [LB297]

SENATOR DUBAS: Thank you very much, Senator Conrad, for that clarification. I have certainly learned a lot about the Investment Council and the work that they do, and I appreciate that clarification. This isn't...these aren't dollars that are directly taken out of General Fund. These are dollars that the Investment Council on a regular basis looks for places to put to generate interest income. The Treasurer's Office did not feel that this program was in any way out of the norm of what the Investment Council does. They were very excited about this. In fact, they wanted to put a whole lot more money in this than we...than we had originally planned. They've looked at what some other states have done. These kinds of programs have been very successful in other states. They were very excited to be able to take these investment dollars and put them back into our own citizens. The bankers, in working with them, have told me that in light of the regulatory climate we're going through right now because of the economy, they are having to scrutinize these types of loans even closer than they have before. They were very excited about having this as a tool, another tool. Yes, there's programs out there, but for the targeted audience that we're looking at in this bill, the bankers and the Farm Bureau felt very strongly that this was a program that would have a real demand for. And again, looking at some other states such as Kansas and Indiana, they have had this program in place for a while, and it is demonstrating success. So I guess I can't stress enough that these are investment dollars that the Investment Office, the pool looks for places to invest. [LB297]

PRESIDENT SHEEHY: One minute. [LB297]

SENATOR DUBAS: You know, it's just like putting them into a CD or something like that. The Risk Manager told me these were very similar to a program that we have called the time deposit where they actually take this money similar to a CD. So it's not

Floor Debate
February 08, 2010

necessarily a precedent, it's just a different type of program that the operating investment pool would be looking at investing dollars. And again, the dollars wouldn't come out of the investment pool until they were actually an official loan. So I wouldn't anticipate that those full amounts would come out until several years after the program was fully up and running. We have the Nebraska Advantage Act which is very successful. We can look to that to kind of model this program as a ratcheted down version of the Nebraska Advantage Act. We can invest in our smaller businesses and our smaller farmers and ranchers who are just looking for that extra little leg up in order to get their business off the ground and get them contributing to our local economy. So I appreciate Senator Conrad's clarification. [LB297]

PRESIDENT SHEEHY: Time, Senator. [LB297]

SENATOR DUBAS: Thank you. [LB297]

PRESIDENT SHEEHY: Thank you, Senator. Senator Wightman, followed by Senator Fischer. Senator Wightman, you're recognized. [LB297]

SENATOR WIGHTMAN: Thank you, Mr. President and members of the body. I, too, am torn on this. I think that Senator Dubas has done a good job in looking for a source that maybe could help young farmers. And certainly young farmers are the lifeblood for a lot of outstate communities. If we continue to have all of the assets I hate to say "gobbled up," but in effect that's what it is by large farmers, we have fewer and fewer people living in these smaller communities and we're going to need fewer and fewer services so the towns are going to be in a continual mode of decline. And I do think this is a real risk. I have some real question that this year is a very good year to be looking at what we're doing here. And as Senator Heidemann says, it's probably a dangerous precedent because these funds are available to various state agencies in the investment pool. And so if they're used for this purpose, they're not going to be available for whatever agency these funds were originally accumulated through. So there's got to be some net impact and we are loaning them out at 2 percent under the prime rate, which is probably the least rate that the state would be getting. But also a concern of mine is that when these funds are loaned out to someone who doesn't qualify for a conventional loan, I think Senator Utter brought that up, that there's a lot of liquidity out there so we're proposing to make this loan to beginning farmers that would have a much higher degree of risk. We may lose not only the money that is loaned to them or the interest, the lower interest rate, but we may lose the loan itself. So that's a concern of mine, as well, that perhaps...and perhaps Senator Dubas could address that issue. If Senator Dubas would yield to a question I would like a response to that. [LB297]

PRESIDENT SHEEHY: Senator Dubas, would you yield to Senator Wightman? [LB297]

SENATOR DUBAS: I certainly would. Would you kind of rephrase the question?

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

[LB297]

SENATOR WIGHTMAN: Well, you know, it's a concern. Not only are we taking a loss in the investment funds at a lower interest rate because we're going to do it at 2 percent under prime, so there's not much question in my mind that the return on those dollars, even if we get them back, is going to be lower than it would have been. But we're also, I think, having probably a greater risk with regard to the loan itself as we loan it, the money, to farmers who maybe weren't able to access conventional loans. [LB297]

SENATOR DUBAS: The state would not be at risk at any time on these loans. The banks would be guaranteeing these loans. So if something happens that the loan recipient can't repay the loan, the bank has guaranteed that the state would get its money. So the state at no time would be at risk for losing any of these dollars. [LB297]

SENATOR WIGHTMAN: So all of this money, and I remember the discussion of that earlier when this was on General File, that the money would be loaned to the banks and then the banks would make the loans to the beginning farmers, is that correct? [LB297]

SENATOR DUBAS: That's correct. [LB297]

SENATOR WIGHTMAN: Okay. That answers one of my questions. We will get a lower return because they're going to be loaning it at a lower rate than their prime rate, is that correct? [LB297]

SENATOR DUBAS: Right. Right. The return would come back a little bit less, but again, that these are...this is a pool of money that the Investment Council is always looking for places to place it. So the interest income coming back into that investment pool from this particular program would not be as high as the standard investments. [LB297]

SENATOR WIGHTMAN: But the loss would be to the bank that made the loan and not to the investment. The bank would still owe the money back to the investment pool. [LB297]

SENATOR DUBAS: Correct. The state would never be at risk for losing... [LB297]

PRESIDENT SHEEHY: One minute. [LB297]

SENATOR DUBAS: ...any of these dollars. [LB297]

SENATOR WIGHTMAN: I think that answers my questions in that regard. Thank you, Senator Dubas. Thank you, Mr. President. [LB297]

PRESIDENT SHEEHY: Thank you, Senator Wightman. Senator Fischer, you're

Floor Debate
February 08, 2010

recognized. [LB297]

SENATOR FISCHER: Thank you, Mr. President and members. I just want to clarify my previous remarks. When I brought up about the investment fund, I was referring to Senator Heidemann's comments about that it was a shift in policy. When I spoke of the General Fund I quoted the fiscal note. I wasn't trying to say that the investment fund was money that went into the General Fund. So I wanted to clarify that for Senator Conrad. On the fiscal note, what I quoted before and what I will say again, if you look at it, it says in future years the loan cap increases and this results in a greater General Fund revenue loss. I think that's pretty clear. I spoke to the staff, Fiscal Office staff, and was told that, yes, that's a worst-case scenario and that would come about because of the loss of the interest dollars. So I just wanted to clarify that to the members and I would yield the rest of my time to Senator Utter. [LB297]

PRESIDENT SHEEHY: Senator Utter, you're yielded 3 minutes 45 seconds. [LB297]

SENATOR UTTER: Thank you very much, Mr. President and members. Senator Dubas just a minute ago mentioned the time deposit open account that many banks have in the state that whereby the state actually invests in a time certificate of deposit in those banks. I just want to point out that those usually run just a month at a time and the state sets the interest rate on a monthly basis based on factors that they have developed. The interest rate is very competitive. By no means is it a favorable interest rate to the banks of the state. And so it actually is really quite different from the program that Senator Dubas is promoting with this bill because this bill does have a preferential, or does have a preferential interest rate that the bank then passes on to the borrowers. And so that it, in fact, the sacrifice that the state makes in the interest rate is the cause of the fiscal note that we get. And so I just wanted to point out that those are two entirely different creatures. One of them...and the time deposit open account that the state has had has been going on for years and...but there's no preferential interest rate there. Thank you. [LB297]

PRESIDENT SHEEHY: Thank you, Senator Utter. Members requesting to speak on AM1782 to LB297: Senator Price, followed by Senator Stuthman, Senator Dierks, and Senator Conrad. Senator Price, you're recognized. [LB297]

SENATOR PRICE: Thank you. Good morning, Mr. President and members of the body. I believe this is a great attempt at trying to foster and help a critical element in our community and within the community of farming. There are questions on the financial aspect of it. But I wonder, would Senator Dubas yield to a question, please? [LB297]

PRESIDENT SHEEHY: Senator Dubas, would you yield to Senator Price? Senator Dubas, would you yield to Senator Price? [LB297]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

SENATOR DUBAS: Yes, I will. [LB297]

SENATOR PRICE: Thank you very much, Senator Dubas. The question I have is, do we have a beginning farmer program here in the state? [LB297]

SENATOR DUBAS: There are...there is a beginning farmer program in relation to some property tax credits. [LB297]

SENATOR PRICE: Okay. And do you know how many applicants we've had for that program? [LB297]

SENATOR DUBAS: No, I could not tell you that. [LB297]

SENATOR PRICE: Okay. Okay, great. Thank you very much, Senator Dubas. The reason I bring that up is I had talked to other members of the body and it seems like the beginning farmer program we have now, for whatever reason, and I don't have all the details, but there have been very few applicants to that program. So it would seem that either it's not set up in the best manner or there just aren't people taking advantage of it, so I wanted members to be aware of that. I'd also like to ask Senator Utter a question if he would yield, please. Senator Utter doesn't seem to be available right now so I'll just carry on. The question I had in general--and maybe this will get to Senator Utter's ears--is he had spoken to the fact that the banks are rather flush with cash or very liquid. And I'm mindful to think of there's a lot of money in the banks' hands and under their control, and they're not able to loan it out, it seems to me that a criteria for loaning and whatever the banks are told by the government...maybe, Senator Sullivan, would you yield to a question for me? [LB297]

PRESIDENT SHEEHY: Senator Sullivan, would you yield to Senator Price? [LB297]

SENATOR SULLIVAN: Certainly. [LB297]

SENATOR PRICE: Thank you very much. And I hate to put you on the spot real quick but are a lot of the conditions of the terms of how a bank would loan out money, are some of those conditions set by federal regulators of such? [LB297]

SENATOR SULLIVAN: Yes, they are. [LB297]

SENATOR PRICE: So is it safe to say that in this environment now, in this time we're experiencing nationwide, it's not as easy to loan money? [LB297]

SENATOR SULLIVAN: You're absolutely right. [LB297]

SENATOR PRICE: All right. Thank you very much, Senator Sullivan. I just wanted to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

make sure I was right on that. Because if we're going to create a program where you can borrow money but yet the requirements are too stiff, that's one of the concerns I have in what we're doing here is that a great bill with great intentions, but the money can't be released because you're not meeting all the requirements. There's a lot of requirements for you to loan money out, particularly sizable amounts of money. So I'll be listening, Senator Dubas, to hear how that is going to be taken care of. Thank you, Mr. President. [LB297]

PRESIDENT SHEEHY: Thank you, Senator Price. Senator Stuthman, you're recognized. [LB297]

SENATOR STUTHMAN: Thank you, Mr. President and members of the body. While I was listening to the conversation, I did call a constituent of mine that is a participant of these beginning farmer program and with the FSA and programs like that. And the question that I raised to the individual was, do you feel there's enough programs right now that people could take advantage of? And he said, you know, the majority of the programs, you know, do come from the federal government and he says there's more than enough programs right now on the federal level for the young farmers to take advantage of. And he said, you know, it is time-consuming. There's a lot of paperwork and there's a lot of regulations that go with it as far as age, net worth, size of farm, amount of livestock, your education, and who you're working with, who you're working for, and the amount of time that you've been engaged in production, livestock production or production agriculture. So just in the conversation with my constituent, he stated that, you know, there are enough federal programs that these people could take advantage of. So, you know, as much as I want people to continue to access these programs, I think there's a lot of time consumed in doing it, but the individual has to be dedicated to apply for these loans and I think we do have the amount of opportunities for these young kids to access these programs. So, you know, I'm all for the beginning farmers, but I think at the present time this constituent stated there are enough programs that are in existence. Thank you, Mr. President. [LB297]

PRESIDENT SHEEHY: Thank you, Senator Stuthman. Mr. Clerk, do you have items for the record? [LB297]

CLERK: I do, Mr. President. Government Committee chaired by Senator Avery reports LB716 and LB987 to General File with amendments attached. New resolution: Senator Ashford, LR316. That will be laid over. Priority bill designation: Senator Gay, LB735; Senator Krist, LB987; and General Affairs Committee LR277CA is one of the two committee priority bills. Judiciary Committee will meet at 11:15 underneath the south balcony. Judiciary at 11:15, Mr. President. Thank you. (Legislative Journal pages 489-491.) [LB716 LB987 LR316 LB735 LB987 LR277CA]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. Speaker Flood, you're recognized for an

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

announcement.

SPEAKER FLOOD: Thank you, Mr. President. Good morning, members. We are going to start tomorrow at 10 a.m. Just giving you kind of a preview as to tomorrow. Start time again will be 10 a.m. I anticipate starting debate on priority bills this Wednesday of this week. Again, a start time tomorrow of 10 a.m., and we will start debate of either committee or senator priority bills this Wednesday. Thank you, Mr. President.

PRESIDENT SHEEHY: Thank you, Speaker Flood. Continuing floor discussion on AM1782 to LB297, members requesting to speak: Senator Dierks, followed by Senator Conrad, Senator Carlson, and Senator Dubas. Senator Dierks, you're recognized. [LB297]

SENATOR DIERKS: Thank you, Mr. President and members of the Legislature. I just stand in support of the efforts that Senator Dubas has made to try to make funding available for beginning farmers in the state. I just think that sometimes we have to weigh the needs with the availability of funds. And I understand what Senator Stuthman's saying because I've never run into a federal program yet that didn't require a lot of paperwork and second guessing. But I still...I think that Senator Dubas is on the right track with this and I'm going to support that and I hope...the amendment, I think, does what she promised she would do when it left General File, and so I'll support that and I wish you would too. Thank you. [LB297]

PRESIDENT SHEEHY: Thank you, Senator Dierks. Senator Conrad, you're recognized. [LB297]

SENATOR CONRAD: Thank you, Mr. President. Good morning, colleagues. Number one, I want to thank Senator Fischer for clarifying her earlier comments. I think that is helpful as we move forward and draw out all perspectives on an issue, that we are accurate, and I think that is important as we move forward. So thank you to her for that. Finally, colleagues, as you can imagine representing an urban area in north Lincoln, I don't have a plethora of constituents that are clambering for programs to help beginning farmers and ranchers. But number one, I believe very strongly that we are state senators and have to look at the broader good, and secondarily, from an urban senator's perspective, I believe very strongly that we have to put away these tired labels about urban versus rural. Because when rural Nebraska hurts, that hurts us in the urban areas. When urban Nebraska is struggling, that has dramatic and negative impacts for rural Nebraska. Our fates are intertwined as are our economies and that's why I think it's important that we all engage on these issues. Finally, I did want to address a few points that have been brought up so far. There are existing programs, colleagues, that are meant to address some of the policy issues contemplated in this legislation. But as Senator Price noted earlier, there is a difference in terms of how they are utilized and what purposes they can meet. And, you know, again I think it's great that rural senators

Floor Debate
February 08, 2010

like Senator Stuthman can provide anecdotal information amongst their constituencies that they represent who have had experience with utilizing these programs. But while that anecdotal information is important, it cannot be dispositive. And that is because if you look at the committee statement, colleagues, look at the committee statement on this. There is widespread agreement amongst our most trusted partners in Nebraska's financial institutions and agricultural and farm groups that says there is a need for this kind of program. That's why they came forward in support on the record in favor of Senator Dubas' legislation. So there is a level of trust there that I have with those people who have expertise in the field that are telling us that anecdotally maybe they don't see a need for this but according to Senator Stuthman's constituent, but these groups with a statewide presence do see a need for this kind of program, do see a void in our existing policy that needs to be addressed, and have come forward to support this bill. So there is a level of trust with that level of expertise that I take very seriously, and again, while not dispositive, I think important. Finally, it's been said that this is some sort of a dramatic shift in our state policy or in public policy in general. And, colleagues, I submit to you that it is not. In fact, a good analogy that I think about when looking at a program like this is how our federal government operates in terms of student loans. They utilize public resources to subsidize the public good of educating our citizenry by providing low interest rates to students so that people who aren't independently wealthy can still achieve a quality education. It's really that same sort of premise that belies this legislation. And, in fact, while that's one example of a parallel program on the federal level, I'm thinking of, just off the top of my head, of existing programs on the state level as well, maybe not with this exact financing tool. But take, for example, in the Nebraska Energy Department. We authorize a series of different programs that provide low interest or no interest loans to homeowners to increase their energy efficiency, and operate those same kinds of services with public resources to promote the public good, which is at the heart of... [LB297]

PRESIDENT SHEEHY: One minute. [LB297]

SENATOR CONRAD: ...this legislation and why I'm in support of it. So with that, thank you, Mr. President. I'd yield the smaller remaining balance of my time to Senator Dubas. [LB297]

PRESIDENT SHEEHY: Senator Dubas, you're yielded 50 seconds. [LB297]

SENATOR DUBAS: Thank you very much, Senator Conrad. And I guess I would like to point out to you that while we're spending a lot of our time talking about this program being for beginning farmers and ranchers, it's also for small businesses. So that could very well include someone in the Lincoln or Omaha area if they met the criteria of a small business owner. So this isn't just a rural program. This is a program that could operate in the vast majority of our state. So, you know, we're looking at programs that have a great success record on the larger scale. This is just taking a similar type

Floor Debate
February 08, 2010

program and bringing it down to a smaller scale to help with our small businesses as well as our farmers and ranchers. So I appreciate your support but I wanted to make sure to point out that this isn't just a farmer and rancher bill. It's also for small businesses too. And to reemphasize the fact... [LB297]

PRESIDENT SHEEHY: Time, Senator. [LB297]

SENATOR DUBAS: Thank you. [LB297]

PRESIDENT SHEEHY: Thank you, Senator Dubas. Thank you, Senator Conrad. Senator Carlson, you're recognized. [LB297]

SENATOR CARLSON: Mr. President and members of the Legislature. There may be many of you in this Chamber that know exactly how you're going to vote. There may be some of the rest of you that are wondering. And I had intended to ask Senator Heidemann if he would yield to a question. I don't see him. I'm going to ask Senator Pankonin if he would yield to a question. [LB297]

PRESIDENT SHEEHY: Senator Pankonin, would you yield to Senator Carlson? [LB297]

SENATOR PANKONIN: Yes, I will. [LB297]

SENATOR CARLSON: Senator Pankonin, the money that we're talking about that would fund this program, where is that money right now? [LB297]

SENATOR PANKONIN: It's in an investment pool that the state of Nebraska manages. [LB297]

SENATOR CARLSON: And in that investment pool, that's invested out probably in a rather conservative way at various levels of interest depending on the time that it's committed. Would that be true? [LB297]

SENATOR PANKONIN: Well, I think it's safe to say we hope it's invested conservatively. But saying that, you know, it depends on when the money is needed. If it's on a short-term basis, it would be short-term money market type or bonds that have short maturities so the liquidity is available. If it's a longer term, as you well know, it can go into other investments that are more suitable for that. But it's probably, for this money, a short-term basis. [LB297]

SENATOR CARLSON: Okay. And in that regard it's probably not a whole lot different than banks that now have money to lend out and they don't have it just sitting there. They invest it in something to get some kind of a return until the request is in for a loan that they can give their approval to, so they probably are investing it in much the same

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

way. Would that be fair to say? [LB297]

SENATOR PANKONIN: Senator Carlson, you're correct. Banks, with their excess liquidity, would be investing in, for example, government bonds of short duration. Fed funds, which is a mechanism that banks lend to each other on an overnight basis, and that number can go up and down every day. So, yes, they would...but they would invest every available dollar for some return even though it might be small at present time. [LB297]

SENATOR CARLSON: Okay. Now those banks when they okay a loan, they're going to loan that out at, at least 2 percent more than what they're earning, 2 percent more than prime, and I'd say in this day and age they're loaning it out at even a greater difference than that. [LB297]

SENATOR PANKONIN: That's a question, I assume? [LB297]

SENATOR CARLSON: Okay. [LB297]

SENATOR PANKONIN: That's a question for me? [LB297]

SENATOR CARLSON: Now what I'm having difficulty with, if this money is taken from the state investment pool, loaned out to beginning farmers, they're going to pay an interest rate, they're going to get an interest break, but I can't really see how this is hurting the state. Is it a loss to the state or is it not a loss to the state? [LB297]

SENATOR PANKONIN: Senator Carlson, the presumption would be that these deposits that the state would make in a financial institution that would...those monies would then be loaned out, would obviously have some kind of return, and whether it's as good or whatever is the pool could change over time. But I think it would...at the present time, it would probably be the safe assumption that it would have the same type of returns. [LB297]

SENATOR CARLSON: Okay. Thank you, Senator Pankonin. I see Senator Heidemann. I would like to address a question to him. How much time do I have, Mr. President? [LB297]

PRESIDENT SHEEHY: One minute 45 seconds. [LB297]

SENATOR CARLSON: Okay. Thank you. [LB297]

PRESIDENT SHEEHY: Senator Heidemann, would you yield to Senator Carlson? [LB297]

Floor Debate
February 08, 2010

SENATOR HEIDEMANN: Yes. [LB297]

SENATOR CARLSON: Senator Heidemann, Senator Pankonin has answered some of the questions that I had but I'm still not understanding. If this money goes out of where it's presently invested and ends up as a loan to a young farmer, they're going to pay an interest rate. Will they be paying a lower interest rate than what the money is currently earning? [LB297]

SENATOR HEIDEMANN: The way we understand it, yes. And that's probably where part of the fiscal note that eventually will be revised to reflect the amendment is going to show. There will be a...it will be cheaper and because of that... [LB297]

PRESIDENT SHEEHY: One minute. [LB297]

SENATOR HEIDEMANN: ...it will cost the General Fund money. [LB297]

SENATOR CARLSON: And at this point we don't know what that amount is or what percentage that might be, the difference? I think the difference is pretty important. [LB297]

SENATOR HEIDEMANN: It will vary. As our investments vary, so will this vary. [LB297]

SENATOR CARLSON: I understand that. However, the difficulty I have is that if it's similar to what's being invested, we ought to do it. If there's a significant difference between what it's earning and what the beginning farmer will pay, that's another matter. And I'm not really hearing an answer and I don't know that you have the answer, and I don't know that Senator Dubas has the answer but I'd like the answer. Thank you, Mr. President. [LB297]

PRESIDENT SHEEHY: Thank you, Senator Carlson. Senator Dubas, you're recognized. [LB297]

SENATOR DUBAS: Thank you very much, Mr. Lieutenant Governor. This has been a great discussion this morning. I think we've learned a lot of things. I think kind of following along the same vein that Senator Carlson has been going on, these are dollars that the operating investment pool has available for investments. So they're looking at all kinds of short-term, long-term. They are required to make these investments at a reasonable rate of return. That's a requirement on there. So, you know, loaning this money to a bank, which in turn loans it to a small business or a farmer, they're going to get a reasonable rate. Are they going to get the top rate that's available out on the market? Not in this particular interest, but I think it would be safe to say that a lot of their investments aren't at the top of the investment return. I think they have a wide array of returns on their investment. So, again, these are dollars that the state operating

Floor Debate
February 08, 2010

investment pool has available that they are looking on a regular basis to invest into something, which in return comes back into the investment pool, which in turn gets spread out to our various state agencies. So trying to really understand how the actual impact of the General Fund is, probably is a little more difficult to actually put our finger on. Again, these are dollars that are available for investment that are invested. Those interest returns come back into the pool which then again are distributed throughout the various agencies. I also would like to take a moment to clarify a statement I made earlier. I talked about the Risk Manager in talking with the Risk Manager. Very early on in the process in one of our meetings we did have a representative from the Risk Manager at one of our meetings. But in the recent meetings I have been meeting with the State Investment Officer, and there is a difference between the two. So the State Investment Officer is...and people from their office who have helped me understand how this operating investment pool works. Again, the state is not at risk at any time. The loans are guaranteed by the banks. The bank makes the loan. If the loan goes bad, that's up to the bank to deal with it, but the bank is responsible for returning that money to the State Treasurer's Office. The dollars would not come out of this investment pool until the loan is actually made. So we're not taking the \$2 million or the \$4 million and putting it in a separate little account. As the monies are loaned out, then that money is transferred to the linked deposit loan program. So the numbers that you see on the fiscal note, that would be if every single dollar is loaned out. In talking to, in particular, the state of Indiana, who has had this program for several years, they have \$2 million in the program. I don't have the exact number of participants in that program, but remember in a phone conversation that we had with them saying that it was a very successful program, their bankers liked it, their producers liked it. In reference to some of the comments that Senator Stuthman made, I do know that there are federal programs available. I also know that there are challenges to being accepted with those types of loans. We have a definition in the bill that defines a beginning farmer and rancher and a small business. You have to have less than \$500,000 worth of net worth. You've got to perform the day-to-day labor and management. You have to have adequate and be able to demonstrate experience and knowledge in the field of farming, demonstrate a profit potential. I mean the bank is just not going to call in any beginning farmer and rancher off the street and make a loan. These loans have to be scrutinized also. But it allows the involvement of the local community banks to work with their local producers and small businesses. These are dollars that are going to come right back into the community, be spent in the community, and the communities will see those advantages. If now is not the time for this program, I don't know when is,... [LB297]

PRESIDENT SHEEHY: One minute. [LB297]

SENATOR DUBAS: ...in light of the economy and the struggles that we're facing in the economy. And, again, the bankers have told me about the additional scrutiny and regulations that they're having to operate under. As Senator Conrad pointed out, they came in, in strong support of this program. I've been working very closely with them

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

from day one on this program. I can't imagine that they would come forward and tell me that we needed this program if they didn't feel like there was an actual need and that it was something that they would actually use. And that's why I shortened down the time a little bit. It's like, you know, let's see if this program does have the potential to get off the ground and, you know, if it's not going to work, well, then we won't move forward with it. But I feel very confident that it will work and that it will serve the part of the population that we're looking to serve. And, again, if we can't invest our own state dollars into our own state citizens, who better to invest them in? This was something that has a great deal of support from the Treasurer's Office. The Investment Council, again, I would encourage you to visit with them. [LB297]

PRESIDENT SHEEHY: Time, Senator. [LB297]

SENATOR DUBAS: It was a very interesting conversation. Thank you. [LB297]

PRESIDENT SHEEHY: Thank you, Senator Dubas. Member... [LB297]

SENATOR SULLIVAN: Can I call the question? [LB297]

PRESIDENT SHEEHY: Yeah. There has been a call for the question. Do I see five hands? I do. The question is...the question before the body is, shall debate cease? All those in favor vote yea; opposed, nay. Have all voted who wish? Please record, Mr. Clerk. [LB297]

CLERK: 26 ayes, 0 nays to cease debate. [LB297]

PRESIDENT SHEEHY: Debate does cease. Senator Dubas, you're recognized to close on AM1782. [LB297]

SENATOR DUBAS: Thank you very much, Mr. Lieutenant Governor and members of the body. I appreciate this discussion that we've had this morning. Again, I feel very strongly about this program. I think this program has a great deal of merit. I think the time is right for the program. We need to be putting our dollars into our local communities, into our beginning farmers, ranchers, small businesses. They are at the heart of our state's economy and so anything that we can do to assist them with their future and getting their feet on the ground, I think our dollar is very well spent and very well invested. It's been a real learning experience for me on this bill, learning about the operating investment pool, how our Investment Council works, how those dollars are invested, what they look like. I've had some great conversations with our Fiscal Office as well as other people, working with Farm Bureau, working with all of the bankers. It's just really been a great experience. I do understand the economy that we're in right now. I do understand the challenges that we are facing and that's why I made the changes to the bill that I did because I'm trying to take those into account. Again, the

Floor Debate
February 08, 2010

dollars that we're looking at for this program are very small in relation to the overall dollars that are available through the operating investment pool. But yet the Treasurer felt that this was a great place, as well as the other people I worked with on this program, that this was a great place for us to look at taking some of those dollars. No, these dollars won't be bringing us back the top rate of return, but they will be bringing us back a return. And I think that's important to emphasize. Again, it's a little bit cloudy as far as the actual impact directly to the General Fund. These are dollars that go out of the investment pool, come back to the investment pool, which in return those dollars get spread out through the various state agencies that the investment pool works with. There was a comment made earlier about the difference between this and our time deposit open accounts. And there are some differences but in talking with the investment officer it would be treated somewhat the same as far as it's a line-item in the bookkeeping. These are dollars that the time deposit loan program that are put into the banks. It does operate on a somewhat different basis, but the underlying premise, there can be some similarities seen in those. Again, the time deposit open accounts are put into our local banks and I understand that that's a very successful program that our banks really reap benefits from. Again, I worked on the amendment. I made the changes trying to take into consideration all of the concerns that were raised during our General File debate, shortening the program, lessening the amount that we put into the program, just to take those concerns into account for what you're working on. I really want to emphasize the fact that the state will not ever be at risk to losing any of these dollars. The banks are guaranteeing the loan. If this isn't the time to do it, I don't know when is. We're looking at these beginning businesses struggling to get off the ground and they are the foundation for our state's economy. I think they show us a lot of promise. So I think the timeliness of this program is right on. The banks have told me, again because of the regulatory environment, that they would see a real need and use for this program. As Senator Conrad pointed out, the operating investment pool is required to show an investment at a reasonable rate of return, so this isn't anything outside of what they're required to do statutorily. Are we setting a precedent? [LB297]

PRESIDENT SHEEHY: One minute. [LB297]

SENATOR DUBAS: I don't know that we are setting a precedent. We have many other economic incentive-type programs in our state and we're seeing success from those. So I see this as just another type of program to help the economies across the state but especially maybe in some of our more rural areas of the state. We, as the Legislature, have the ability at any time with 25 votes to create something or to dismantle something. So we are never fully committed to the future of any one program because every body is different and every body has a different set of priorities. So I think this is setting a positive tone for what this Legislature stands for, what this Legislature wants to do, where we want to put our dollars, and who we want to benefit from those dollars. So I would appreciate the body's support for AM1782. Thank you, Mr. President. [LB297]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

PRESIDENT SHEEHY: Thank you, Senator Dubas. You have heard the closing. The question before the body is on the adoption of AM1782 to LB297. All those in favor vote yea; opposed, nay. Have all voted who wish? There has been a request for the call of the house. Please record, Mr. Clerk. [LB297]

CLERK: 25 ayes, 4 nays on the adoption of the amendment, Mr. President. [LB297]

PRESIDENT SHEEHY: AM1782 is adopted. [LB297]

CLERK: I have nothing further on the bill, Mr. President. [LB297]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB297]

SENATOR NORDQUIST: Mr. President, I move LB297 to E&R for engrossing. [LB297]

PRESIDENT SHEEHY: You have heard the motion. Senator Haar, you're recognized. Senator Haar waives. Senator Heidemann. [LB297]

SENATOR HEIDEMANN: I would like a machine vote. [LB297]

PRESIDENT SHEEHY: There has been a request for a machine vote. The question before the body is on the advancement of LB297. All those in favor vote yea; opposed, nay. There has been a request for a record vote. There has been a request for the call of the house. The question before the body is, shall the house be placed under call? All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB297]

CLERK: 40 ayes, 0 nays, Mr. President, to place the house under call. [LB297]

PRESIDENT SHEEHY: The house is placed under call. All unexcused senators please report to the Legislative Chamber. All unauthorized personnel please step from the floor. The house is under call. Senators, please record your presence. Senator Carlson, Senator Ashford, would you check in. Senator Fulton, the house is under call. Senator Dubas, all members are present or accounted for. How would you like to proceed? [LB297]

SENATOR DUBAS: Roll call (inaudible). [LB297]

PRESIDENT SHEEHY: There has been a request for a roll call vote in reverse order. Mr. Clerk. [LB297]

CLERK: (Roll call vote taken, Legislative Journal pages 491-492.) 22 ayes, 12 nays, Mr. President, on the advancement. [LB297]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

PRESIDENT SHEEHY: LB297 does not advance. The call is raised. Mr. Clerk, we will proceed to LB373. [LB297 LB373]

CLERK: LB373, at this time I have no amendments to the bill, Mr. President. [LB373]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB373]

SENATOR NORDQUIST: Mr. President, I move LB373 to E&R for engrossing. [LB373]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB373 advances. We will now proceed to LB690. [LB373 LB690]

CLERK: LB690, Mr. President. No amendments to the bill, Senator. [LB690]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB690]

SENATOR NORDQUIST: Mr. President, I move LB690 to E&R for engrossing. [LB690]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB690 advances. We will now proceed to LB691. [LB690 LB691]

CLERK: LB691, I have no amendments to the bill, Senator. [LB691]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB691]

SENATOR NORDQUIST: Mr. President, I move LB691 to E&R for engrossing. [LB691]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB691 advances. We'll proceed to LB736. [LB691 LB736]

CLERK: LB736, I have no amendments to the bill, Senator. [LB736]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB736]

SENATOR NORDQUIST: Mr. President, I move LB736 to E&R for engrossing. [LB736]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB736 advances. We'll proceed to LB751. [LB736 LB751]

CLERK: LB751, I have no amendments to the bill, Senator. [LB751]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB751]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

SENATOR NORDQUIST: Mr. President, I move LB751 to E&R for engrossing. [LB751]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB751 advances. We'll proceed to LB650. [LB751 LB650]

CLERK: LB650, Senator. I do have Enrollment and Review amendments, first of all. (ER8150, Legislative Journal page 394.) [LB650]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB650]

SENATOR NORDQUIST: Mr. President, I move the E&R amendments to LB650. [LB650]

PRESIDENT SHEEHY: You have heard the motion on the adoption of the amendments. All those in favor say aye. Opposed, nay. They are adopted. [LB650]

CLERK: Senator Christensen would move to amend, AM1682. (Legislative Journal page 474.) [LB650]

PRESIDENT SHEEHY: Senator Christensen, you're recognized to open on AM1682 to LB650. [LB650]

SENATOR CHRISTENSEN: Thank you, Mr. President, fellow colleagues. AM1682 rewrites Section 10 of the bill and addresses the titling requirements of minitrucks. The amendment would provide that the minitrucks that were purchased prior to 2001...sorry, January 1, 2011, and may only have a bill of sale and could use that document. Maybe I'll back up here, get this spit out correctly. Starting January 1, 2011, you'll have to have the normal title and everything to get these vehicles registered. Vehicles purchased before that date, you can just use a bill of sale. The concern was that we may not have access to an actual title because it may have been sold two or three times. There may be nothing more for information other than a bill of sale that has followed these vehicles along. So what this amendment does is strictly allows a bill of sale for any vehicle transferred before January 1, 2011, and after that the same titling requirements that are on a normal vehicle. Thank you, Mr. President. [LB650]

PRESIDENT SHEEHY: Thank you, Senator Christensen. You have heard the opening of AM1682 to LB650. Are there members requesting to speak? Senator Carlson, you're recognized. [LB650]

SENATOR CARLSON: Mr. President and members of the Legislature, I'd like to address a question to Senator Christensen if he would yield. [LB650]

PRESIDENT SHEEHY: Senator Christensen, would you yield to Senator Carlson?

Floor Debate
February 08, 2010

[LB650]

SENATOR CHRISTENSEN: Yes. [LB650]

SENATOR CARLSON: Would you state again the real purpose of this amendment?
[LB650]

SENATOR CHRISTENSEN: The real purpose is the vehicles that are out there running around right now may not have a title to move with them to register these. So this bill becomes in effect, if it passes, January 1, 2011, requiring them to be licensed, registered, and from that point forward they'll have to have a title following them. If you have bought the vehicle previous to that date, you'll be able to use a bill of sale as proof that you own this to register it. [LB650]

SENATOR CARLSON: After that date in 2011, if a person wants to sell, a bill of sale would no longer be appropriate, is that correct? [LB650]

SENATOR CHRISTENSEN: That is correct. [LB650]

SENATOR CARLSON: So this should serve as an incentive for people that have a vehicle, aren't too sure whether they want to drive it on the highway or not, but may want to sell it some day to get it registered. [LB650]

SENATOR CHRISTENSEN: That is correct. [LB650]

SENATOR CARLSON: And that would be a positive result, wouldn't it, of this...of your bill? [LB650]

SENATOR CHRISTENSEN: It really would. That allows them to have that history and a title from that day forward. So if they're ever going to sell an old one even though they may not want to title it, they should do it one time. [LB650]

SENATOR CARLSON: Okay. Thank you, Senator Christensen. I do support AM1682 and the underlying bill. Thank you, Mr. President. [LB650]

PRESIDENT SHEEHY: Thank you, Senator Carlson. Seeing no additional requests to speak, Senator Christensen, you're recognized to close on AM1682. Senator Christensen waives. The question before the body is on the adoption of AM1682 to LB650. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB650]

CLERK: 34 ayes, 0 nays, Mr. President, on the adoption of Senator Christensen's amendment. [LB650]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

PRESIDENT SHEEHY: AM1682 is adopted. [LB650]

CLERK: I have nothing further on the bill, Mr. President. [LB650]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB650]

SENATOR NORDQUIST: Mr. President, I move LB650 to E&R for engrossing. [LB650]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye.
Opposed, nay. LB650 advances. We'll now proceed to LB650A. [LB650 LB650A]

CLERK: LB650A, Senator, I have no amendments to the bill. [LB650A]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB650A]

SENATOR NORDQUIST: Mr. President, I move LB650A to E&R for engrossing.
[LB650A]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye.
Opposed, nay. LB650A advances. We will now proceed to LB698. [LB650A LB698]

CLERK: LB698, Senator, I have no amendments to the bill. [LB698]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB698]

SENATOR NORDQUIST: Mr. President, I move LB698 to E&R for engrossing. [LB698]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye.
Opposed, nay. LB698 advances. We'll now proceed to LB226. [LB698 LB226]

CLERK: LB226, Senator, I have E&R amendments, first of all. (ER8151, Legislative
Journal page 395.) [LB226]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB226]

SENATOR NORDQUIST: Mr. President, I move the E&R amendments to LB226.
[LB226]

PRESIDENT SHEEHY: You're heard the motion for the adoption of the amendments.
All those in favor say aye. Opposed, nay. They are adopted. [LB226]

CLERK: I have nothing further on LB226, Senator. [LB226]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB226]

SENATOR NORDQUIST: Mr. President, I move LB226 to E&R for engrossing. [LB226]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye.
Opposed, nay. LB226 advances. We will now proceed to LB798. [LB226 LB798]

CLERK: LB798, Senator. I have no amendments to the bill. [LB798]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB798]

SENATOR NORDQUIST: Mr. President, I move LB798 to E&R for engrossing. [LB798]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye.
Opposed, nay. LB798 advances. We will now proceed to LB731. [LB798 LB731]

CLERK: LB731, Senator, I have no amendments to the bill. [LB731]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB731]

SENATOR NORDQUIST: Mr. President, I move LB731 to E&R for engrossing. [LB731]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye.
Opposed, nay. LB731 advances. We'll now proceed to LB738. [LB731 LB738]

CLERK: LB738, Senator, I have no amendments to the bill. [LB738]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB738]

SENATOR NORDQUIST: Mr. President, I move LB738 to E&R for engrossing. [LB738]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye.
Opposed, nay. LB738 advances. We'll now proceed to LB814. [LB738 LB814]

CLERK: LB814, Senator, I have no amendments to the bill. [LB814]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB814]

SENATOR NORDQUIST: Mr. President, I move LB814 to E&R for engrossing. [LB814]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye.
Opposed, nay. LB814 advances. We'll proceed to LB721. [LB814 LB721]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

CLERK: LB721, there are E&R amendments. (ER8153, Legislative Journal page 405.)
[LB721]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB721]

SENATOR NORDQUIST: Mr. President, I move the E&R amendments to LB721.
[LB721]

PRESIDENT SHEEHY: You have heard the motion on the adoption of the amendments.
All those in favor say aye. Opposed, nay. They are adopted. Senator Nordquist.
Anything further, Mr. Clerk? [LB721]

CLERK: Nothing further, Mr. President. [LB721]

PRESIDENT SHEEHY: Senator Nordquist, you're recognized for a motion. [LB721]

SENATOR NORDQUIST: Mr. President, I move LB721 to E&R for engrossing. [LB721]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye.
Opposed, nay. LB721 advances. We will now proceed to LB722. [LB721 LB722]

CLERK: LB722, no E&Rs. Senator Avery would move to amend the bill, AM1771.
(Legislative Journal page 474.) [LB722]

PRESIDENT SHEEHY: Senator Avery, you're recognized to open on AM1771 to LB722.
[LB722]

SENATOR AVERY: Thank you, Mr. President. You may recall that when we had the discussion of this bill on General File there were some concerns expressed about language on page 6, in lines 4 and 5, where it states that the state of Nebraska may be able to sell a property that is on the National Register of Historic Places in a manner to a nonprofit community organization that intends to use the building for the purposes for which it was designed or intended. There were some questions raised about whether or not that meant that a historic building on the National Register of Historic Places that had been a residence, whether it meant that it had to remain a residence because that was the original purpose for which it was designed and intended. So to avoid any ambiguity or any confusion that might arise from leaving that language as it is, I am proposing in AM1771 that on page 6, lines 4 and 5, after the...starting with the word "use" in line 4, that we simply say to "maintain the historic and cultural integrity of the building or land." It seems to me that that will do what we intended and will not create as much ambiguity as using design or as it was originally intended. This language does provide some flexibility for the nonprofit but it retains the original intent of the bill to preserve the historical property. I would ask that you amend LB722 with this

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

amendment and then advance to Final Reading. Thank you, Mr. President. [LB722]

PRESIDENT SHEEHY: Thank you, Senator Avery. You have heard the opening of AM1771 to LB722. Member requesting to speak: Senator Hansen, you're recognized. [LB722]

SENATOR HANSEN: Thank you, Mr. President, members of the Legislature. Would Senator Mello yield to a question? [LB722]

PRESIDENT SHEEHY: Senator Mello, would you yield to Senator Hansen? [LB722]

SENATOR MELLO: Absolutely. [LB722]

SENATOR HANSEN: Senator Mello, good morning. [LB722]

SENATOR MELLO: Morning. [LB722]

SENATOR HANSEN: I know you're very involved in state buildings and want to make them green. How can we make a historic...I can't read this, historic and cultural integrity of a building on the land? Can we make a historic and cultural building green? I mean, if it was built to be drafty and cold, can we make it green? [LB722]

SENATOR MELLO: (Laugh) Senator Hansen, I think without knowing any specific building that you're referring to, I think there are basic elements of the inner workings of a facility, such as their heating and cooling systems, that you can make more, I guess more energy efficient in the process, such as installing a geothermal heat pump would be I think a prime example to try to make maybe a historic building more energy efficient or, as you would call it, green. [LB722]

SENATOR HANSEN: Thank you. I didn't plan on asking this question but I think it might be an appropriate time. Would you ever consider making the State Capitol of the state of Nebraska a green building with geothermal heat and cooling so one day we could have cooling, the next day we might have heat? [LB722]

SENATOR MELLO: I think that historic buildings such as the Capitol, there are opportunities I would say to be able to make it more energy efficient. You know, just looking at the age of our windows and seeing how energy efficient our windows are, I think there's an opportunity there to try to make this building a bit more energy efficient, save a bit more in utility costs; thus, as you would say, going green by looking at that initial investment, so to speak, in our infrastructure at the Capitol. [LB722]

SENATOR HANSEN: Thank you, Senator Mello. And one addition to that scenario is that the Capitol does have a large lawn. So I was approached this weekend about the

Floor Debate
February 08, 2010

Capitol and an industry that would be interested some day in talking about that, so. But when we do talk about buildings that are on the historical record, and there's a lot of them in Lincoln and a lot of them in Omaha, and turning those buildings green is going to be difficult, I think. And maybe Senator Avery has some additional remarks in that vein, but to take a historic building and make it livable is going to be expensive. Thank you, Mr. President. [LB722]

PRESIDENT SHEEHY: Thank you, Senator Hansen. Senator Wallman, you're recognized. [LB722]

SENATOR WALLMAN: Thank you, Mr. President, members of the body. Would Senator Avery yield for a question? [LB722]

PRESIDENT SHEEHY: Senator Avery, would you yield to Senator Wallman? [LB722]

SENATOR AVERY: I will. [LB722]

SENATOR WALLMAN: Thank you. Have you any idea how many buildings we have on this list of things we could be selling? [LB722]

SENATOR AVERY: I do not know of any right now that are on the list to be sold. I did use, in General File debate, the example of the Ferguson House over here close to the Capitol as a possible candidate. I don't know that there's any plan to sell that building, but if there were it's on the National Register of Historic Places so it would come under this bill. And changing it from designed or intended, the original design or intended purpose of it, I think that the amendment I have up here now which would protect the cultural integrity of the building is better language than was in the original green version because it gives some flexibility to the state. You wouldn't want the state's hands to be tied, that if they were selling a building like the Ferguson House, they would have to sell it to someone who was going to use it as a residence. But I do not know of any others and I don't even know if that building is up for sale, I doubt if it is, but this simply would give the state the authority to sell a historic property and maintain the cultural integrity in the process. [LB722]

SENATOR WALLMAN: Thank you, Senator. It seems to me like we have surplus property in our school districts, in our villages, in our cities, and especially the state property. And so I think it's asinine we let them go to pieces like the Ag Hall at the State Fair Park and we don't sell them or fix them. Thank you, Mr. President. [LB722]

PRESIDENT SHEEHY: Thank you, Senator Wallman. Senator Haar, you're recognized. [LB722]

SENATOR HAAR: Mr. President, members of the body, since Senator Hansen brought

Floor Debate
February 08, 2010

up green building, I'm going to put in some plugs here because I think you can take a historic building and do a lot of green things with it. For example, you can go around and change the light bulbs to much more efficient compact fluorescent lights and even LED lights now. That sort of thing could be done in the Capitol itself. A lot of historic buildings have an attic. One way to green a building is to put insulation in the attic, a fairly cheap way. Then there's the whole thing of operation and maintenance, how you operate, whether you leave the thermostat up all the time, the kind of cleaning materials you use. Because one of the points of a green buildings is air quality, and what you do with operation and maintenance can have a lot to do with air quality. Things like energy efficient windows. And there are companies called ESCOs, Energy Services Companies, that will come in and tell you how much money you can save, guarantee what percent energy you'd save, and help you do those kind of upgrades. And here's the plug. On this coming Tuesday, February 16, we're going to have lunch. We're going to have some ESCOs come in, hopefully...or we're going to have Johnson Controls, hopefully, from Omaha. Hopefully, somebody from Chevron come in--they're both ESCOs--to talk about how you could use these in all public buildings, particularly in schools, but it would also work for historic buildings. And there's a good example right now of a former public school that UNL is retrofitting, and I can't remember the name of it but they're taking a historic building, they're keeping it historic, but they're greening it at the same time. So I would invite you all to come Tuesday to lunch. We're going to have pizza and root beer and learn about ESCOs and ways you can green just about any public building. Thank you very much. [LB722]

PRESIDENT SHEEHY: Thank you, Senator Haar. Seeing no additional requests to speak, Senator Avery, you're recognized to close. Senator Avery waives closing. The question before the body is on the adoption of AM1771 to LB722. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB722]

CLERK: 34 ayes, 0 nays, Mr. President, on the adoption of Senator Avery's amendment. [LB722]

PRESIDENT SHEEHY: AM1771 is adopted. [LB722]

CLERK: Senator Heidemann would move to amend, AM1767. (Legislative Journal page 493.) [LB722]

PRESIDENT SHEEHY: Senator Heidemann, you're recognized to open on AM1767. [LB722]

SENATOR HEIDEMANN: Thank you, Mr. Lieutenant Governor and fellow members of the body. I want to speak just for a couple of minutes here and then it's my intent to withdraw this amendment. The reason I brought this amendment up, a situation became aware to me how we sell state property in this state is that we give priority to local

Floor Debate
February 08, 2010

government entities. Because of that, there are times it actually excludes anybody else from...as long as the priority is there, it excludes anybody else from bidding. And it has become aware to me that we actually, as a state, have the potential to leave a lot of money laying on the table because of that. I don't want to get into too much detail but I will say there has been some sale of property just recently that because no one else was allowed to bid, sale of a state property actually happened that came in below the appraised value. And that, number one, is a little bit alarming to me and it also, because I was aware of that, there was someone else that was willing to bid on this surplus property, because of this priority, language in this statute that they were not allowed to even bid, and we as a state probably left a substantial amount of money on the table because of that. It was my intent to push this forward. NACO and the League came to me with concerns, not probably so much from what I could gather concerns about what I was doing but just what it would do. They wanted to be able to have a little more time to research this. They have agreed to me, and Senator Avery actually was part of it, said that through the interim we can look at this issue a little bit deeper and then hopefully get some kind of resolution because I think even DAS Building Division that handles this would like some kind of clarity on this. And that was all that we were trying to intend to do with this amendment was to get a little bit of clarity. It wasn't a hostile amendment by any means, but because there is some concern with it, it is my intent at this time to withdraw AM1767. Thank you. [LB722]

PRESIDENT SHEEHY: Thank you, Senator Heidemann. AM1767 is withdrawn. [LB722]

CLERK: I have nothing further on the bill, Mr. President. [LB722]

PRESIDENT SHEEHY: Senator Avery, you're recognized. [LB722]

SENATOR AVERY: Thank you, Mr. President. I just wanted to comment briefly on Senator Heidemann's discussion of his concerns. We have discussed this. We'll be working on a stand-alone bill over the interim and we'll bring it back to you next year and it'll be a good bill and you'll be happy with it. Thank you. [LB722]

PRESIDENT SHEEHY: Thank you, Senator Avery. Senator Nordquist, you're recognized for a motion. [LB722]

SENATOR NORDQUIST: Mr. President, I move LB722 to E&R for engrossing. [LB722]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB722 advances. Mr. Clerk do you have items for the record? [LB722]

CLERK: I do, Mr. President. LB1078 by the Revenue Committee is reported to General File, that signed by Senator Cornett; and Judiciary reports LB352 to General File with amendments, that signed by Senator Ashford. Senator Fulton, an amendment to LB873

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
February 08, 2010

to be printed; Senator Fischer to LB743; and Senator Pankonin to LB373. Priority bill designations: The Government Committee, chaired by Senator Avery, has selected LB951 and LB686 as their two committee priority bills. Name adds: Senator Fischer to LB1103; Janssen, LB1103; Price, LB1103. (Legislative Journal pages 493-498.) [LB1078 LB352 LB873 LB743 LB373 LB951 LB686 LB1103]

And I do have a priority motion. Senator Flood would move to adjourn the body until Tuesday morning, February 9, at 10 a.m.

PRESIDENT SHEEHY: You have heard the motion to adjourn until Tuesday, February 9, at 10 a.m. All those in favor say aye. Opposed, nay. We are adjourned.